



Oregon

Theodore R. Kulongoski, Governor

Department of Human Services

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April 21, 2003

Mike Fiore, Director
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Dear Mr. Fiore:

In accordance with Section 1915(b)(4) of the Social Security Act, the State of Oregon is submitting for your review and approval, a request for a fourth renewal of the current Freedom of Choice waiver for non-emergency medical transportation (NEMT) provided to clients residing in Clackamas, Clatsop, Columbia, Coos, Curry, Douglas, Gilliam, Hood River, Jackson, Josephine, Multnomah, Tillamook, Sherman, Wasco, Washington and Wheeler counties. In addition, the State of Oregon is seeking to add Benton, Crook, Deschutes, Jefferson, Klamath, Lake, Lincoln, Linn, Marion, Polk and Yamhill counties to the current waiver. Sections 1902(a)(1) and 1902(a)(23) must be waived in order to permit Oregon to continue the brokerage program in the above referenced areas.

Effective dates of the renewed waiver will be July 26, 2003 through July 25, 2005.

Non-emergency medical transportation services covered under the waiver will continue to be provided under brokerage arrangements through Intergovernmental Agreements with the Tri-county Metropolitan Transportation District (Tri-Met dba Transportation Program) for Multnomah, Washington and Clackamas counties, with Sunset Empire Transportation District (SETD dba Northwest Ride Center) for Clatsop, Columbia and Tillamook counties, with

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DO 2254 (01/03)

Rogue Valley Transportation District (RVTD dba Translink) for Coos, Curry, Douglas, Jackson, Josephine, Klamath and Lake counties, and with Mid-Columbia Council of Governments (MCCOG dba Transportation Network) for Gilliam, Hood River, Sherman, Wasco and Wheeler counties. Brokerage arrangements for non-emergency medical transportation services will be provided by Intergovernmental Agreements with Central Oregon Intergovernmental Council (COIC) for Crook, Deschutes and Jefferson counties with a proposed start in the Spring of 2004, with Oregon Cascades West Council of Governments (OCWCOG) for Benton, Lincoln and Linn counties with a proposed start date also in the Spring of 2004, and with Salem Area Mass Transportation District (SAMTD dba Trip Link) for Marion, Polk and Yamhill counties with a proposed start date in early Summer of 2003.

DESCRIPTION OF WAIVER

A. Waiver Category

The State of Oregon is requesting a fourth renewal of the current waiver under the authority of Section 1915(b)(4) of the Social Security Act.

B. Statutory Provisions to be Waived

Oregon is requesting waivers of Sections 1902(a)(1) and 1902(a)(23) of the Social Security Act in order to permit Oregon to continue the non-emergency medical transportation brokerages for eligible clients residing in the MCCOG, RVTD, SETD and Tri-Met service areas, and to add the COIC, OCWCOG and SAMTD service areas.

C. Purpose of the Waiver

The purpose of the waiver is to promote ongoing cost efficiency in the provision of non-emergency medical transportation consistent with the purpose of the Medicaid

program. The waiver does not restrict emergency services (ambulance level modes of transportation do not participate in brokerages) and ensures quality transportation for all eligible clients to access covered Title XIX services. The current waiver for TRI-MET has been in effect since September 1, 1994 and was renewed by the Health Care Financing Administration in January, 1997, in July of 1999 and again in July of 2001. An amendment for an additional service area brokered by SETD became effective on March 1, 2001. The waiver approved in 2001 also included the MCCOG and the RVTD service areas. This waiver will continue to bring the brokerage model as demonstrated by the current brokerage service areas to additional regions within the state.

D. Services to be Provided

This renewal request is for the provision of non-emergency medical transportation services to eligible clients in the Tri-Met, SETD, RVTD, and MCCOG service areas who meet the requirements for such service. Clients who have alternative means of no-cost transportation are not eligible for transportation through the brokerages. "No-cost" transportation includes rides provided by local social service agencies, law enforcement agencies, friends or relatives or any other means which would be considered by OMAP to be a prior resource. The brokers continue to be paid a flat fee per ride regardless of level or type of ride provided. Emergency Medical Transportation is not covered under the waiver request, however, all brokerages will provide information on how to obtain Emergency Medical Transportation to clients (Exhibits 14, 15 and 17).

E. Service Parameters

Under the waiver, OMAP clients or someone on behalf of the client, in the Tri-Met, SETD, RVTD, and MCCOG service areas have direct access by telephone to a brokerage Customer Service Representative who then provides the screening necessary to determine client eligibility, the need for medical transportation through the brokerage and the level of ride required. In addition, the brokers provide real-

- Maintain accurate records and to produce reports as required in order to provide information for both management and audit/reconciliation activities.
- Have adequate capacity (both in numbers and by types of vehicles) for the number of rides required at start-up as well as future client caseload expansion.
- Enter into sub-contractual arrangements with local contractors who offer discounts for provision of rides.
- Have the infrastructure necessary to support the required client screening, real-time or pre-scheduled dispatch and provision of any level of ride that may be required by an individual client.

The above activities and/or detailed plan will be reviewed by OMAP staff with the help of consultants and stakeholder input to ensure that the proposed organization can indeed meet the task required prior to entering into a development contract.

Measurements will also include, but are not limited to: Current/projected client eligibility numbers for region, current/projected transportation providers in region, ability of organization to staff and maintain the brokerage, and obtaining a sense of stakeholder commitment to the project.

In addition, OMAP will require that the broker have:

- The ability to integrate services with other transportation brokers/providers outside of the broker service area.
 - Internal controls to ensure deliverability of services.
 - Written procedures/notices informing clients on how to access the system.
 - Written internal procedures for the provision of screening, dispatch and transportation services.
 - Quality Assurances, monitoring and grievance (fair hearing) processes for clients.
 - The ability to monitor subcontractors compliance with quality assurance standards, and overall billing practices.
 - Electronic billing capability.
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MCCOG, RVTD, SETD and Tri-Met have demonstrated and continue to demonstrate that all requirements are being met.

H. Methods of Payment

The broker is reimbursed on a flat fee-per-ride basis. The flat fees for the brokerages as of 1/1/02 are: MCCOG - \$77.50 per ride, RVTD - \$22.50 per ride, SETD - \$36.00 per ride, and Tri-Met - \$9.50 per ride. The proposed flat fee-per-ride for: COIC is \$30.00, for OCWCOG is \$58.00 and for SAMTD is \$43.00. The flat fee includes administrative costs encumbered by the brokers as well as the direct costs of the rides. The flat fees are evaluated monthly (as the monthly reports to OMAP are created) and are adjusted as required. If the brokerage is new and is still having cash flow problems due to such things as unexpected utilization, the evaluation may be on an ongoing daily/weekly basis and the flat fees are adjusted more often than monthly to ensure continuity of service to clients. Although the new brokerages may have their rates adjusted more often, the most mature brokerage, TRI-MET, usually adjusts rates only once or twice a year and that mostly due to external reasons such as an OMAP program change or insurance increase. During the current waiver period to date, there have been three flat fee adjustments for TRI-MET, one for MCCOG, five for RVTD (one of the changes coming within two weeks of the previous change), and four for SETD. It has been demonstrated that the costs do not exceed the level of expenditures the State would realize without the brokerage.

OMAP enters into non-risk contracts with the brokers (Exhibit 16). To ensure cost efficiencies and reimbursement of all allowed costs for services provided within the contract, a cost settlement occurs annually. OMAP's Audit Unit provides this cost settlement by reconciling the revenues with the expenses and the reimbursement account is adjusted to a zero balance by one party issuing funds to the other. This process also evaluates the flat fee to ensure that reimbursement follows true costs as close as possible during the year. OMAP initiated the first reconciliation audit in 1997 and will continue to provide this audit on annual basis to each brokerage. The audit also includes a review of a sample of claims as well as financial information.

I. Categories of Eligible Recipients Included in the Waiver

Per the State of Oregon's 1115 Waiver, anyone eligible for services under the Oregon Health Plan Plus Benefit Package is eligible for non-emergent transportation.

As with the current waiver, SCHIP eligibles will be using the brokerages since the SCHIP benefit package is a mirror image of the benefits received by Title XIX clients. As such, it is not cost-effective to build separate medical transportation programs just for SCHIP eligibles. Brokerage cost effectiveness information is based on a total of all transportation activities of both Title XIX and SCHIP clients. SCHIP rides are prorated and reimbursement is made to OMAP via internal fund transfer.

J. Areas of the State in Which the Program is Currently Implemented

The waiver project has been in operation in Multnomah, Washington and Clackamas counties since September 1, 1994, in Clatsop, Columbia and Tillamook counties since March 1, 2001, in Coos, Curry, Douglas, Jackson and Josephine counties since September 1, 2001, and in Gilliam, Hood River, Sherman, Wasco and Wheeler counties since October 1, 2002.

K. Impact on Ongoing Medicaid Program Administration

CMS' approval of the previous waiver renewal has enabled *OMAP* to meet its non-emergency medical transportation requirement through a single provider (broker) for clients in the the four current service areas. Actual costs continue to demonstrate cost-efficiency. Exhibit 13 summarizes the per client cost savings that is projected for the waiver period. The State of Oregon, through this waiver request, anticipates that the brokerage model as applied to the proposed brokerage areas will also demonstrate cost-efficiencies (see Exhibits 1 through 12).

L. Means of Protecting Recipient Rights

During the two months prior to actual brokerage operations, all client's within the proposed brokerage service area, received/or will receive a notice with information about the availability of medical transportation through the brokerage included with each client's Medical Care Identification Form (Exhibit 17 is a sample of the notification form that is rendered into additional languages or other formats as required by clients). In addition, case workers and branch personnel contacted/or will contact the clients and medical services providers in advance of the brokerage operations to help with the transition.

Oral information concerning transportation was/is provided by the case worker and written information defining those services that were/are covered by the Medicaid program was given/will be given to each client residing in a brokerage service area at the time the brokerage was effective and to new clients when Medicaid eligibility is determined (See Exhibit 14 - Program Guide). The information contains details regarding the availability of medical transportation for clients who have no transportation resource available to them. The written information also includes instructions on how to access medical transportation services. When a client initially contacts the broker, the broker provides information on when and how to schedule rides, how to cancel rides, the hours of availability, who to call after hours and for emergent services, and other information (such as not "tipping" the drivers) that will enable the client to access medical transportation successfully. The information is translated as required by client needs and is also available in additional formats, such as: braille, large print and audio tape.

If a client is authorized a ride, whether or not the client actually uses the ride, the client will never be charged for the ride. In those instances where the client was a "no show" and the transportation provider doesn't get paid for the effort, the client will be counseled by the brokerage, and in most cases by their case worker also, concerning the potential for loss of their ride opportunities if they continue to demonstrate a lack of personal responsibility.

Under the waiver, OMAP's contracts with the brokers assure that clients have the right to a fair hearings process at both the brokerage and, if need be, at the State of Oregon in the event of denial of services. More detailed information on the process can be found in the Brokerage Operations Manual (Exhibit 15). The contracts also assure that specific complaints a client may have regarding the brokerage be heard by both the brokerage, brokerage advisory committee, and OMAP. This process occurs immediately following complaints concerning:

- the level of transport authorized
- the screening process
- denial of transportation
- a transportation sub-contractor

A client is only denied medical transportation for one of the following reasons:

- the client has known transportation resources
- the client is not eligible
- the client is requesting transportation to a non-medical or non-covered service

If the broker's Customer Service Representative determines a ride request should be denied, the broker ensures that a second level of review take place (either by a Supervisor or the Brokerage Coordinator) prior to the client's appointment time. If the second level review also determines the request should be denied, the client will be notified within 72 hours by a written Denial Notice which also includes complaint procedures for the client is mailed to the client with a copy to the client's Branch office. The Denial Notice instructs the client on the Request for Hearing process.

A copy of all information pertinent to denial of service is retained by the broker for the period of time described in OMAP General Rules.

In addition, to ensure that providers do not discriminate against clients, the language in the Intergovernmental Agreement addressing that issue (as well as other special federal regulations) is passed through to all subcontracts.

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M. Copies of Intergovernmental Agreement

Enclosed as Exhibit 16 is a copy of OMAP's Intergovernmental Agreement with Tri-Met. This Intergovernmental Agreement is the latest template that will be upgraded into the current contracts with MCCOG, RVTB and SETD by amendment and will be identical to those established with all new brokerages, except for the per ride payment and the total dollar amount of each contract. A total dollar amount is required by Oregon Administrative Rule even though this is a cost reimbursement type of agreement. The initial "not to exceed amount" for all new brokerage contracts will be derived by applying OMAP projections of client ride usage utilizing OMAP historical data and projecting the operational cost of the respective brokerages in providing this projected level of utilization. The total dollar amount for current brokerages is based on past brokerage historical data and projecting the operational cost of the brokerage in providing a projected level of utilization.

N. Other Factors and Requirements Unique to the State's Waiver Request

The State of Oregon is committed to the formation of brokerages for non-emergent transportation within the state. However, it is also recognized that without support from the stakeholders of the system, the development and maintenance of the brokerages would be more costly and inefficient. Therefore, the State, while encouraging, facilitating and developing brokerage capacity, also allows for participation at all levels by stakeholders in order to get this "buy in" of the system. Particularly since the money used to create the initial brokerage must come from local match dollars. It is felt that long term gains far exceed any short term exceptions/exclusions in the current process.

The State of Oregon allows the stakeholders within a proposed brokerage area to develop a consensus that the brokerage is the best method to deliver Medicaid non-emergency medical transportation and to select from within each potential brokerage area the broker whom each stakeholder believes can provide the best services and can maintain the trust of the local region. This is done through a long

series of public meetings that include the general public, clients, transportation providers, medical services providers, client advocates, volunteers, local and state elected officials, and local and state employees representing agencies that deliver services to clients. These meetings create a “grass roots” level of support for a brokerage. The process may take anywhere from two to three years or more with over fifty public meetings being held. Because the process is so extensive and allows for greater participation by all stakeholders, it is felt that the final decision on broker selection from within the brokerage area has met/exceeded any competitive requirements for selection of a broker as required by both State and Federal rule. If the Advisory Councils, stakeholders, or other concerned groups feel that a review of the current brokerage system in a region requires another search for a potential new broker, either because of poor contractual performance (see Exhibit 16 - Intergovernmental Agreement) or to check on current market conditions, such a request will be responded to either using the current system of using regional consensus or via a more formal Request for Proposal. At this time it is planned that the entire state will be using the brokerage service delivery model by the end of 2006.

The following are the current regions being developed:

COIC is a Council of Governments organization created under Oregon Revised Statute 190 which allows the creation of a legal governmental entity with all the rights of other governmental entities. COIC is currently providing transportation coordination services for Crook, Deschutes and Jefferson counties. Three and a half years ago COIC obtained an ODOT grant to study coordinating transportation. A direct result of the study and the many public meetings held under the grant was the idea of becoming a Medicaid Brokerage. COIC came to the forefront in the discussion at further public meetings as the potential broker. COIC is currently working with the state and all the local partners/stakeholders within Crook, Deschutes and Jefferson counties in developing a brokerage based on the current model within Oregon as approved by CMS.

OCWCOG is a Council of Governments organization also created under Oregon Revised Statute 190 and currently helps provide transportation to clients in the three county area of Benton, Lincoln and Linn counties. The OCWCOG finally received the consensus to become the broker after nearly four years of public discussion between all the stakeholders in the region, including DHS and ODOT. This region is mostly a rural area with few providers or volunteers. It was for this reason that the coordination of transportation discussion was begun years ago so that resources could be more efficiently used. It is the opinion of nearly all involved that transportation services to clients going to medical appointments could become more efficient due to brokerage coordination efforts. The OCWCOG is the latest organization to become a potential broker.

In the Salem area, the transportation coordination stakeholder meetings took nearly four years and finally produced an ORS 190 entity within the three county area to oversee all transportation coordination efforts. This entity was called the Chemeketa Area Regional Transportation System (CARTS) and included Marion, Polk and Yamhill counties and the SAMTD. One of the major areas for CARTS was the OMAP Medical Brokerage and it's development. At its direction, the SAMTD (a Mass Transportation District also created under Oregon Revised Statute 190 and serving the City of Salem in both Marion and Polk counties) has agreed that it should broaden the scope of it's current Salem area activities and take on the OMAP brokerage effort to serve the entire Marion, Polk and Yamhill county region. As previously indicated, this brokerage will be the next one to become operational, awaiting the approval from CMS.

O. Documentation on Methods to Ensure No Restriction of Emergency Transportation

The state assures that the restriction on client's "Freedom of Choice" of provider will not in any circumstance, apply to emergency medical transportation services. *OMAP* currently does not require any prior approval/review process for emergency transportation and that policy will remain in effect. There will be no restriction of

any Medicaid client's right to seek immediate medical intervention for urgent/emergent medical needs. The Waiver will not apply to either emergency ambulance services or on-site emergency medical assistance. As stated earlier, information will be available to both clients and brokerage personnel on how to access emergency services.

P. Procedures for Monitoring Costs, Utilization, Access and Quality Under the Waiver

On a monthly basis, the brokers are required to submit to OMAP a Financial and Operating Report which includes a monthly narrative. Anything of importance will be included in the narrative, e.g. capacity issues, change in local ordinances, etc. OMAP Program and Budget staff use these reports to closely monitor the program to ensure cost-effectiveness and access to quality service for OMAP clients. An example of the monthly report using the most recent Tri-Met financial and operating report for the month of February 2003 is attached as Exhibit 19.

The Brokerage Advisory Groups for the respective brokerages meet on a periodic basis (usually monthly) to identify any area where improvement would benefit the overall program. It is a forum for the monthly reports generated by the brokerage to be reviewed by the members (Exhibit 19). These reports include a total for the month of the complaints and compliments registered for each provider (that are further subdivided into types of complaints) and the number of late returns by mode of transportation. The Advisory Groups also receive information on the number of denied rides which are also subdivided into different types of denials. In addition, the Advisory Groups bring complaints/compliments that were directed to them or the various branches by clients, to be discussed with the broker at the meetings. All of this provides insight and information on the program both for group members and the broker on the impact of the program as indicated by the information.

OMAP periodically sends a "Client Satisfaction Survey" to those clients who have used the brokerage during the past six months. The 2000 example of the Customer Satisfaction Survey is submitted as Exhibit 18. The 2000 on the Survey is

somewhat misleading as the actual survey was compiled beginning in 2000, went out at the end of 2001 to clients and was finalized with analysis in 2002). The sample population is selected so that adequate numbers of clients within all DHR divisions, age groups, and geographic locations are selected to receive a survey. Analysis of the survey yields information on where possible corrective action is needed and/or areas where improvements are indicated. Between surveys, the Advisory Councils work on those areas indicated in the survey as needing attention. An example of this is the series of focus groups in Clackamas, Multnomah and Washington counties the TRI-MET Advisory Council set up to address the survey issue of providing information on transportation and continued training to medical services providers. These focus groups suggested the creation and distribution of an informational pamphlet based on the current client information pamphlet distributed by the brokerage. The analysis of the surveys also points out that even though the information provided to clients has improved, the effort to ensure client understanding of the system must continue to be worked on. Overall the survey results indicated a continuing improvement in customer satisfaction with the program.

The *OMAP* Medicaid Brokerages are unique in several aspects. The *OMAP* Brokerage:

- Has internal system edits that check against a provider's billing to ensure that appropriate costs are billed and paid.
 - Uses an open contracting method, meaning the rates for all contracts are public and therefore reviewable by competitors, which encourages competition among contracted transportation providers which in turn acts to keep the cost per ride down.
 - Has developed mutual cooperation between the brokerage and local Medicaid branch offices which facilitates education of branch staff and program users, while coordination between the two promotes the development of necessary program elements required to meet the needs of *OMAP*, the brokerage, Medicaid staff, and the clients served.
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- Provides for safer rides to clients by creating and maintaining a higher level of transportation provider safety standards through the use of criminal background checks, driver training standards, and vehicle safety standards (see Exhibit 16 - Intergovernmental agreement Attachment A). Currently, in non-brokerage areas, there is no requirement for any of the above.
- The advisory group to each brokerage and surveys conducted by independent research groups provide a quality control mechanism for the brokerages that cannot be duplicated through the current branch office system.

Attached for your review are Addendum A and Exhibits 1 through 20 that demonstrate the cost-effectiveness of the current waiver and that of the renewal period. Addendum A provides an overview of the major events that occurred during the current waiver period and that also influence the proposed waiver period. Exhibits 1 & 2 provide information on the TRI-MET current waiver period and the Renewal period, respectively. Exhibits 3 & 4 provide information on the SETD current waiver period and the Renewal period, respectively. Exhibits 5 & 6 provide information on the RVTD current waiver period and the Renewal period (including Klamath and Lake counties), respectively. Exhibits 7 & 8 provide information on the MCCOG current waiver period and the Renewal period, respectively. Exhibit 9 provides information on the SAMTD proposed waiver period. Exhibit 10 provides information on the COIC proposed waiver period. Exhibit 11 provides information on the OCWCOG proposed waiver period. Exhibit 12 provides detailed information on administrative costs. Exhibit 13 summarizes the cost savings for the current and renewal period of the waiver. Exhibits 14 through 19 provide copies of current documents used by the brokerages in providing services. Exhibit 20 is a visual aid to see the progress and direction the State of Oregon is moving.

Q. OMAP Waiver Renewal Contact

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The State trusts the information set forth in this document contains the information necessary to obtain a fourth renewal of the existing Waiver.

Sincerely,



Jean I. Thorne
Director

Enclosures
